

T³: Trustee Training Tips

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YOU CAN BE TOO RICH FOR YOUR OWN GOOD

Many public libraries do themselves a disservice by stockpiling large reserve accounts without specific goals. Regardless of the size of any library's budget, it should strive to have only a small cash carryover at the end of any year. The annual budget should reflect realistic expectations of expenses and revenues.

That small carryover would be in addition to a cash-flow minimum to cover month-to-month highs and lows in terms of expenses and revenue. At any one time during a year, a library should always have funds immediately available to cover at least an average month's expenses. Some boards might prefer to maintain a two-month minimum. But anything beyond that is getting into building excessive rainy day accounts, regardless of whether it is an annual operating budget carryover or part of a long-term reserve account with no stated goal.

There is nothing wrong with setting up multi-year timetables to set aside funds for replacements of a roof or bookmobile, construction of a parking lot or expansion of a facility. These are examples of prudent long-range planning, and the set-asides should be reflected in the annual budget.

What should be of concern is when boards simply hoard funds for the sake of hoarding. There are two primary dangers of doing this:

1. A non-taxing district library could jeopardize the level of its own annual allocation from its funding body; a taxing-district could be inviting a "raid" on its tax revenues by other local entities. (There are records of this being attempted in Kentucky, though of course it is not legal.)
2. Libraries that do this could collectively jeopardize support among state legislators, who would question the need for maintaining current library funding levels if they hear of too many large cash reserves being stockpiled across the state.

Even if libraries don't get "caught," the funds that were simply stockpiled could have been put to several better uses:

- to improve the collection of materials.
- to increase programming and services for all ages.
- to raise salaries or increase benefits for library staff.
- to pay for continued training for staff and trustees.

-- David Miller, trustee of the Wood County (OH) Public Library
adapted from rural & small library services newsletter with permission

OFFICERS OF THE BOARD

Every library board must elect officers as stipulated in the Kentucky Revised Statutes (KRS 173.040; 173.500; 173.735) and the terms for these offices are two years each. It is up to the individual library, usually addressed in its by-laws, whether or not officers of the board can succeed themselves and for how long. Even if the same officers are kept year after year, the statutes still require them to be re-elected every two years. It might help to remember office elections are held on even or odd numbered years and in the month that begins that boards' term year. A quick look at pages 29-30 of the latest Annual Report will provide the term year information.

Irrespective of law, every board *needs* officers to provide leadership—to organize, prod, facilitate, focus, and keep the rest of the board on track. Officers are elected to lead, but they are also elected to serve those who elect them. Their authority should be clearly defined in the library's by-laws and never left to a "general understanding." While the statutes require only a president, secretary, and treasurer, most boards also elect a vice-president. This position is not to be considered a president-elect, though that may be possible, but to give someone the authority to chair a board meeting should the president be unable to attend. (In the absence of both president and vice-president, the responsibility of chairing the meeting falls to the secretary. And should that officer also be absent, most boards will no longer have a quorum.)

Not every trustee will have the skills necessary to make a good officer. It is the duty of the board to elect those who can provide the leadership or stewardship that each specific board needs at this specific time. Following is a brief overview of each office.

The **president** leads board meetings, appoints committees, works with the director to develop meeting agendas, acts as liaison to the director, works to train board members when necessary, and attempts to build teamwork. She does not have the authority to act independently for the board. This officer is required to sign approved minutes of the previous meeting, sign approved payment vouchers, sign all grant applications, sign approved contracts, sign official board correspondence, authorize calls for special meetings, and authorize closed sessions of the board according to statutorily acceptable reasons. The president gets to do some of the "fun" jobs like cutting ribbons at formal dedications or turning over the first shovel of dirt on a construction project. She may get to do some less pleasant jobs as well, like speaking for the library to the media during a controversy.

The **vice-president** has the shortest job description, as it can be summed up in one sentence: serves as president in the absence of the president. But that's deceptively simply. He may be assigned additional special duties such as chairing a committee or acting as liaison to a Friends chapter. He should work with the president to stay current on issues facing the board so as to be ready to assume the president's role if the president cannot.

The **secretary** is responsible for the minutes of each meeting. These are the official record of board action and once approved stand as written. His duties include signing the minutes after they have been approved; recording arrival and departure times of trustees during the meeting (to prove a quorum is present when action is taken); notifying any member who has missed three meetings in a term year that automatic resignation from the board will

take place upon the fourth absence; and signing official correspondence as needed. This position may be called upon to chair a meeting should both president and vice-president be absent.

It is perfectly legal for secretaries to tape record meetings for the purpose of composing the minutes at a later date (see special rules under Open Records Act in *T³: Trustee Training Tips* Autumn 2001, page 2b). It is also legal for a staff member to record minutes so the secretary can participate fully in the meeting.

The **treasurer's** job is primarily one of oversight. She is responsible for all fiscal records and controls and must be bonded in an amount determined by the board (KRS 173.360, 173.540, 173.755). The treasurer is responsible for reporting on the state of the finances at the monthly board meetings. She signs checks for disbursement from the library's account, usually works with the director to develop the proposed budget, and helps interpret financial reports to the board. If the library has a finance committee, the treasurer usually chairs that committee.

For five member boards, which make up most of Kentucky's public library boards, this leaves only one individual not elected to an office. The remaining **member**, however, isn't left without responsibilities. He is just as important a member of the board as any of the officers and his vote is of equal value. The member is expected to participate fully in all board activities and may be appointed to chair certain committees. In some libraries he is automatically named to the regional advisory board, if that region has one, or he may be asked to be the board's liaison to their Friends chapter. Regardless of what "special" duties may be assigned to him, his input is invaluable. And his turn as an officer is likely to come sooner or later.

INFORMED BOARDS

Board members must insist on having full knowledge and open discussion on every issue brought before them. The library director should provide the trustees with the necessary information for them to make informed, intelligent decisions for the betterment of the library. Ultimate responsibility for all aspects of the public library reside with the board, meeting in open session and with a quorum present. Boards as a whole and individual members can be held liable for their actions—or inactions. No trustee should ever vote simply to go along with the others, but should clearly understand each issue under consideration before voting on it.

There is a delicate balance, rather like Goldilocks of fairy tale fame, in getting too little information, too much information, and just the right amount. Library directors may need your guidance in determining how much is "just right." Here is yet another arena where clear communication is a necessity.

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LIBRARY LETTERS

Dear Marian Librarian,

I am trying to learn more about being a trustee and have re-read my Kentucky Public Library Trustee Manual and several other training publications. I am confused by all the KRS numbers cited after the same thing. Why is this?

– Troubled Trustee

Dear Troubled,

First of all, congratulations on your self study program. You are a good example to all trustees. Now to your question. The reason you see different statute numbers is because they reflect the different methods by which public libraries were established. Some were by ballot, some by petition, some are not taxing districts but a department of county or city government. Most have exactly the same legal requirements, but each method has its own statute—hence the different numbers. Look at pages 7-8 in your Trustee Manual for review.

HOW MUCH DO YOU KNOW?

The following quiz will let you test your knowledge on the topics covered in this publication. The answers are under “Publications” on KDLA’s web page <www.kdla.net>.

1. The XYZ library is going to need new carpet someday, so what’s the harm in setting aside some unspent money each year for that?
2. Isn’t it prudent to have a nest egg equal to a year’s income for emergencies?
3. Should a library rotate officers every two years?
4. Why does a library need a vice-president if the statutes don’t require one in the first place?
5. Why do trustees need to know all the details about the library? Isn’t that why we hired a director?

**Kentucky Department for Libraries
and Archives
201 West Dixie Avenue Suite One
Elizabethtown KY 42701-1533**

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ANSWERS TO T3 QUIZ

1. The XYZ library is going to need new carpet someday, so what's the harm in setting aside some unspent money each year for that? [page 1]

Absolutely none. In fact, a prudent board will set aside some money each year for capital projects—new carpet, new roof, renovation, automation upgrade, etc. The key words here are “some” and a title for those set-asides. There is no hard and fast rule as to what constitutes “some” so that is left to each library to decide for itself. Some boards have designated a percentage, say 2% of annual tax revenue, for their depreciation fund, but if you decide to do that, don't become such a slave to your policy that needed routine operations get stiffed for the rainy day account. Be flexible. Some years will be lean; some fat. As to naming your savings, there are a variety that will work—some general and some very specific. Just be sure whatever label you use is readily understandable to anyone who might question why the library hasn't spent all its money for the year.

2. Isn't it prudent to have a nest egg equal to a year's income for emergencies? [page 1]

Yes, and the above answer gives a few examples. But remember also, you have insurance to cover damages done by Mother Nature or the bad boys in town. Most nest eggs (and this is not a desirable name for your contingency fund) are accumulated slowly with a fairly specific need in mind that insurance will not cover. [Note: maybe your community has a girl gang that vandalizes community property, in which case, we apologize for the sexist label above.]

3. Should a library rotate officers every two years? [pages 2-3]

Yes. No. Maybe. Any answer will work for any board at any given time. The statutes merely say each shall elect officers every two years, but does not address re-election to the same office. A trustee could be elected secretary at his first board meeting and continue to hold that office throughout his tenure on the board. Whether or not a library board wishes to rotate officers is entirely up to them.

4. Why does a library need a vice-president if the statutes don't require one in the first place? [page 2]

While this office is not required, it is still prudent to use it for a couple of reasons. One, it designates a person to chair the meeting if the president cannot be there. Additionally, if the president is out of commission for a period of time, the vice-president can conduct all other items of business (sign papers, send official correspondence, call special meetings, etc.) until the president returns to office.

5. Why do trustees need to know all the details about the library? Isn't that why we hired a director? [page 3]

You don't need to know all the details, but you do need to have a pretty good idea of what's going on at your library. You hired a director to manage the daily operation of your library, but the ultimate responsibility regarding its success or failure with the community depends upon board oversight. You approve a long-range plan, set policies to govern how the library will operate, advocate on a local, state, and national level for increased support. To do these well, you need to be knowledgeable about what your library's doing and how well it is being done. Another part of your job as a board is to evaluate your director's job performance. How well can you do this if you don't take an active interest in the whole library performance?